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Deputy Executive Director

BAY AREA TOLL AUTHORITY (BATA)
OVERSIGHT COMMITTEE
October 14, 2009
MINUTES

Attendance

BATA Oversight Committee Chair Bill Dodd, convened the meeting at 9:45 a.m. In addition to Chair Dodd, the following Committee members were in attendance: Tom Bates, Dave Cortese, Steve Kinsey, Bijan Sartipi, and Vice Chair Chris Daly, other Commissioners in attendance: Dean Chu, Dorene Giacopini, Scott Haggerty, Ann Halsted, Sue Lempert, Jake Mackenzie, Jon Rubin, Jim Sperring, and Adrienne Tissier.

Consent Calendar

Six (6) items were unanimously approved on the Consent Calendar.

Minutes of the September 9, 2009 meeting

Meeting minutes of the September 9, 2009 were approved.

BATA Financial Statements – July 2009

The Committee received the July 2009 BATA Financial Statements.

Contract Change Order – FasTrak[®] Strategic Plan Improvement Project, Construction Contract

The Committee unanimously approved authorizing the Executive Director or his designee to negotiate and issue a contract change order with O.C. Jones and Sons, Inc. in an amount not to exceed \$300,000 to install nine additional Changeable Message Signs at the San Francisco-Oakland Bay Bridge toll plaza.

Change Order – FasTrak[®] Regional Customer Service Center

The Committee unanimously approved authorizing the Executive Director or his designee to negotiate and issue a change order with ACS State and Local Solutions, Inc. (ACS) in an amount not to exceed \$136,416 to remove and replace all 1999 FasTrak[®] toll tags.

Contract Amendment – Professional Project Management & Technical Assistance for Advanced Toll Collection and Accounting System (ATCAS II)

The Committee unanimously approved authorizing the Executive Director or his designee to negotiate and enter into a contract amendment with Traffic Technologies, Inc. (TTI) in an amount not to exceed \$1,941,400 to provide technical assistance for ATCAS II through June 30, 2013.

Contract Amendment – Improvements to the ATCAS Computer Equipment Rooms, Bay Area State-Owned Toll Plaza Facilities

The Committee unanimously approved authorizing the Executive Director or his designee to negotiate and enter into a contract amendment with Aztec Consultants, Inc. in an amount not to exceed \$600,000 to fund a task order for the installation of security cameras at the Richmond, San Francisco-Oakland, San Mateo-Hayward, and Dumbarton Bridge toll plazas.

Toll Increase for the State-owned Bridges in the San Francisco Bay Area

Mr. Andrew Fremier, Deputy Executive Director, and Mr. Rod McMillan, BATA staff, presented to the Committee for its information the reasons an increase in toll rates on the state-owned bridges is needed and options for increasing the toll rates. A toll increase on the bridges is needed for three primary reasons 1) to fund the seismic retrofit of the Antioch and Dumbarton Bridges, 2) to off set reduced revenues due to declining traffic volumes on the bridges, and 3) to fund increased costs of our debt financings. In November 2008, Caltrans completed a comprehensive geotechnical and seismic analysis of the Antioch and Dumbarton Bridges. Based on that analysis, Caltrans has found that both bridges are in critical need of seismic retrofit to bring the bridges up to current seismic standards. The retrofits will include installing isolation bearings, strengthening of the columns and footings, and strengthening of the pier caps and superstructure. The estimated cost of both retrofits totals \$750 million, which reflects a reduction of \$200 million from the initial estimates provided in December 2008.

The estimated new funding to complete the seismic program, including the seismic retrofit of the Antioch and Dumbarton bridges is \$160 million in new annual revenues. The strategy for completing the funding of the seismic program includes 1) reducing operating costs, 2) increasing toll violation collections, 3) seeking new fund sources, and 4) increasing tolls. Recently, BATA has made progress in reducing toll collection operating expenses and in the collection of toll violations. In regards to increasing toll rates, three options were presented for initial consideration, as follows:

- Option #1 – \$5 toll for 2-axle autos, \$3 toll for carpools, and a \$6 per axle toll for trucks.
- Option #2 – \$5 toll for 2-axle autos, maintaining toll free passage for carpools, and a \$10 per axle toll for trucks.
- Option #3 – Same as Option #1 for 6 Bridges, and congestion pricing for the Bay Bridge, which includes a \$6 toll for autos in the peak period, \$4 toll for autos in the non-peak, and a \$5 toll for autos on weekends.

Options #1 and #3 introduce a reduced rate toll for carpools. Currently, carpools have toll free passage during the specified carpool hours on the bridges. Based on initial analysis, implementing congestion pricing on the Bay Bridge (Option #3) could reduce morning peak

delay on the Bay Bridge by 15 to 30 percent. Congestion pricing is only proposed for the Bay Bridge because it is the only bridge that has significant congestion and there are multiple transit options in that corridor.

It is proposed that in November 2009 three public hearings be held to provide the public the opportunity to provide comments on the toll increase options. At this time, we are expecting that BATA will act on a toll increase proposal in January 2010 and that the potential toll increase would be effective in July 2010.

Based on a number of questions and comments from the Committee members, Mr. Steve Heminger, Executive Director, responded, as follows:

- Congestion pricing on the Bay Bridge could be implemented on a trial basis. The concept could be tested for a period of time on one bridge to determine if congestion pricing produced expected results and could be expanded to other facilities. In other areas it was found that congestion pricing was more effective than originally thought.
- The idea of charging carpools a \$3 toll in Options #1 and #3 is based on carpools paying for the seismic retrofit expenses for the bridges. At present, \$2 of the \$4 toll pays for seismic retrofit of the facilities, which is a benefit to all vehicles crossing the bridges. The proposed toll increase is also to complete the seismic retrofit of the facilities, including the Antioch and Dumbarton Bridges. Therefore, the idea was that carpools would pay the \$3 total toll targeted specifically to seismic improvements.
- All options presented provide a reduced rate for carpools. It is believed that the most significant advantage for carpools in the morning peak on the Bay Bridge is the time advantage that carpools have getting through the toll plaza. In the public hearings, we will hear more from people who carpool whether time savings or the toll savings is the major motivator for carpooling.
- Trucks on the bridges make-up about 2.5 percent of total traffic. The past three toll increases have been \$1 surcharges on all vehicles. As a result, on a percentage basis the increases have been much smaller on trucks than for autos. From the early 1990s, the toll for a 2-axle vehicle has increased by about 300 percent, while the increases for trucks over that same time period has totaled about 35%.
- In regard to affordability, the experience on HOT Lanes throughout the country has been that all income levels support the lanes and use the lanes. HOT Lanes are not exactly the same as congestion pricing on the Bay Bridge, but provide some evidence that the concept of pricing may provide advantages to many income groups.

Committee members also expressed:

- Congestion pricing is an opportunity to reduce vehicular traffic on the Bay Bridge and encourage motorists to use transit to reduce emissions in the Bay Area. Also, it may make sense to have a greater differential between the toll rates for the peak period and non-peak period to further reduced peak travel. The peak period pricing also allows the opportunity to shift the peaks. Motorists may be able to move from the peak period to the non-peak period.
- It appears that implementing a toll for carpools has some merit; however, the toll rate for carpools needs to be examined since BATA does not want to discourage carpools.
- It should be further highlighted that this proposed increase in tolls is to complete the funding of the seismic retrofit of the bridges and the retrofit of the Antioch and Dumbarton Bridges, which provides safety to the travelling public.
- If congestion pricing is tried, there should be some clear milestones and performance criteria to determine if it is effective, including whether there is an impact on lower income motorists.

In response to Committee member requests, Mr. Heminger stated that staff would provide additional analysis, including:

- Truck traffic volumes for peak and non-peak period by bridge and the number of out-of-state trucks using the bridges.
- Additional analysis of pricing options, including estimates of greater differentials between peak and non peak periods and estimates of the impact on traffic o the pricing options.
- Information on the current uses of the toll revenues collected on the bridges and added detail of the how the proposed new funding would be used.

The Committee unanimously approved the proposed public hearing schedule.

Regional Measure 1 (RM 1) and Seismic Retrofit Project (SRP) Monthly Progress Report

Mr. Fremier stated that the Committee has been provided a copy of the progress report for the SRP and RM 1 projects.

Other Business/Public Comment/Next Meeting/Adjournment

Jerry Grace spoke to the Committee regarding seismic retrofit need on all bridges.

There being no further business or public comment, the meeting was adjourned at 11:05 a.m.